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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

HUMAN RESOURCES  
DIVISION

*title on form #103*

February 15, 1979

Mr. Leonard Schaeffer, Administrator  
Health Care Financing Administration  
Department of Health, Education, and  
Welfare  
Washington, D.C. 20201

*ABC 00624*



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Dear Mr. Schaeffer:

On January 9, 1979, we issued a report to the Congress entitled "Problems in Auditing Medicaid Nursing Home Chains" (HRD-78-158). One of the nursing home chains discussed is Sunset Nursing Homes Incorporated of Miami, Florida, and is identified as chain F in the report (see pp. 27-29). As the report indicates, this chain's Georgia homes apparently overcharged the Medicaid program for fiscal year 1976 management fees. We could not determine the precise effect of the apparent overcharge because in June 1977 the chain denied us access to its records; however, it appears that as a minimum, the amount involved would be Medicaid's share of \$125,000 or about \$121,000. Although Georgia audited the chain headquarters for fiscal year 1977, the apparent overcharges to the Medicaid program for fiscal year 1976 will go uncorrected unless an audit is performed for fiscal year 1976 and appropriate adjustments made.

We recommend that you ask the Georgia Department of Medical Assistance to audit the management fees claimed by this chain's Georgia homes for fiscal year 1976. As discussed in the report, the Florida Department of Health and Rehabilitation Services has audited this chain, and the Georgia audit for fiscal year 1976 should be coordinated with Florida's efforts.

We would appreciate your advising us of any actions taken or planned regarding this matter.

Sincerely yours,

*Robert E. Iffert, Jr.*  
Robert E. Iffert, Jr.  
Assistant Director

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